

EXHIBIT E
BIDDING PROCEDURES ORDER

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	CHAPTER 11
	:	
NEXTWAVE PERSONAL	:	CASE NO. 98-B 21529(ASH)
COMMUNICATIONS INC. <i>et al</i>	:	
	:	
Debtors.	:	JOINTLY ADMINISTERED
	:	
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**ORDER UNDER 11 U.S.C. §§ 105(a), 363 AND 1146(c) OF THE BANKRUPTCY
CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2002, 6004
AND 9019: (A) APPROVING BIDDING PROCEDURES FOR
THE SUBMISSION OF HIGHER AND BETTER OFFERS FOR THE SALE OF
RIGHTS AND INTERESTS IN CERTAIN LICENCES; (B) AUTHORIZING
PAYMENT OF BREAK-UP FEE AND EXPENSE REIMBURSEMENT IN THE
EVENT A HIGHER OR BETTER OFFER OR COMPETING PROPOSAL IS
APPROVED AND CONSUMMATED; (C) ESTABLISHING SALE AS
CONTINGENT UPON APPROVAL OF THE FCC TERM SHEET; AND (D)
APPROVING FORM OF
NOTICE OF AUCTION AND SETTING HEARING AND RELATED
DEADLINES WITH RESPECT TO SALE AND SETTLEMENT**

Upon the motion (the "Motion") of NextWave Telecom Inc., NextWave Personal Communications Inc., NextWave Partners Inc. and NextWave Power Partners Inc. (collectively, the "Debtors"), debtors and debtors in possession in the above-captioned bankruptcy cases, for, among other things, entry of an order pursuant to 11 U.S.C. §§ 105(a) and 363, approving: (i) the form of the Purchase Agreement (the "Agreement") dated August 4, 2003 between Debtors and Cingular Wireless LLC ("Proposed

Purchaser”) for the sale of Debtors’ rights and interests in the 34 licenses set forth on Exhibit A to the Agreement (the “Licenses”); (ii) the bidding procedures attached hereto as Exhibit A (the “Bidding Procedures”) governing the submission of higher and better offers for the purchase of the Debtors’ rights and interests in the Licenses; (iii) the notice of auction and sale hearing, substantially in the form attached hereto as Exhibit B (the “Notice of Auction and Sale Hearing”), establishing a date, time and place for the Sale by public auction of the Debtors’ rights and interest in the Licenses (the “Sale”) and the date, time and place for the hearing to approve (x) the Sale; (y) exemption of the Sale, pursuant to 11 U.S.C. § 1146(c), from any stamp, transfer, sales, recording or similar tax; and (z) other related matters (the “Sale Hearing”); (iv) payment of a Break-Up Fee (as defined in the Motion) of one and one-half percent (1.5%) of the Purchase Price as an administrative expense pursuant to Section 503(b)(1) of the Bankruptcy Code payable as provided for in Section 5.7(d) of the Agreement; (v) payment of the Expense Reimbursement (as defined in the Motion) pursuant to Section 503(b)(1) of the Bankruptcy Code in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00); and (vi) establishing the Sale as contingent upon Court approval of the FCC Term Sheet (as defined in the Motion) without modification; and due and proper notice of the Motion having been given to all parties in interest in these cases; and all interested parties having been afforded an opportunity to be heard with respect to the Motion; and the Court having reviewed and considered: (i) the Motion, (ii) the objections thereto, if any; and after due deliberation thereon; and good and sufficient cause appearing therefore; this Court hereby

FINDS AND DETERMINES THAT

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A. Debtors have articulated good and sufficient reasons for approval of the Bidding Procedures and the Notice of Auction and Sale Hearing in connection with the Sale of the Debtors' rights and interests in the Licenses;

B. The Bidding Procedures are reasonable and appropriate to maximize the value to the estates of the Licenses;

C. The Agreement, the Bidding Procedures, and each of the Break-Up Fee and the Expense Reimbursement were negotiated in good faith and from an arms'-length bargaining position; and

D. The allowance of each of the Break-Up Fee and the Expense Reimbursement are necessary to create competitive bidding and constitute the sound exercise of Debtors' business judgment.

E. In order for all parties to be willing to proceed with the Auction and the Sale, it is necessary and in the best interest of the NextWave estates to require the Sale to be contingent upon and not proceed without the FCC Term Sheet being approved without modification.

NOW, THEREFORE, IT IS HEREBY

ORDERED, that capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures; and it is further

ORDERED, that the Motion is GRANTED as set forth below; and it is further

ORDERED, that Debtors may conduct an auction of the Licenses (the "Auction") in accordance with the Bidding Procedures, which procedures are hereby approved; and it is further

ORDERED, that Debtors shall serve the Notice of Auction and Sale Hearing upon

the entities and in the manners specified in the Bidding Procedures. Such service shall be deemed good and sufficient notice of this Order, the Motion, and all proceedings to be held thereon; and it is further

ORDERED, that any bidder desiring to submit a Bid (as defined in the Bidding Procedures) at the Auction shall deliver such Bid in writing to the entities and in the manner specified in the Bidding Procedures, such that the Bid is actually received by all required entities not later than September 15, 2003 at 12:00 p.m. (New York time); and it is further

ORDERED, that Debtors shall hold the Auction in accordance with the Bidding Procedures at the offices of UBS Investment Bank at 299 Park Avenue, New York, New York 10171, on September 23, 2003, at 9.00 a.m. (New York time) or such later date as Debtors, after consultation with the Proposed Purchaser, the Committee, the FCC and the DIP Lender (as defined in the Bidding Procedures), may agree. Any entity (as used throughout this Order, such term shall have the meaning set forth in Section 101(15) of the Bankruptcy Rules) seeking to participate as a bidder at the Auction must strictly comply with the Bidding Procedures; and it is further

ORDERED, that objections, if any, to the relief sought in the Motion relative to the Sale shall be filed and served in accordance with the Bidding Procedures such that the objection is actually received by all required entities before September 12, 2003 at 4:00 p.m. (New York time); and it is further

ORDERED, that a hearing on the Motion to confirm the results of the Auction and to approve the terms of the Sale will be held on September 25, 2003 at ____:____
__ m ; and it is further

ORDERED, that each of the Break-Up Fee and the Expense Reimbursement is approved to be paid as an administrative expense pursuant to Section 503(b)(1) of the Bankruptcy Code on the terms and conditions set forth in the Agreement (including but not limited to the sole sources of funds for payment of the Break-Up Fee as provided in Section 5.7(d) of the Agreement); and it is further

ORDERED, that all objections to the entry of this Order, to the extent not resolved at or prior to the hearing, are overruled; and it is further

ORDERED, that the Sale is contingent upon, and shall not proceed without, Court approval of the FCC Term Sheet (as defined in the Motion) without modification; and it is further

ORDERED, that the Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order.

Dated _____, 2003.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A
(TO BIDDING PROCEDURES ORDER)

BIDDING PROCEDURES

These Bidding Procedures set forth the process by which NextWave Telecom Inc., NextWave Personal Communications Inc., NextWave Partners Inc. and NextWave Power Partners Inc. (collectively, "Debtors") may effectuate a sale (a "Sale" or to "Sell") of all of Debtors' right and interest in and to the Licenses (as defined below). The Bidding Procedures were approved by order dated August __, 2003 (the "Bidding Procedures Order") of the United States Bankruptcy Court for the Southern District Court of New York (the "Court") (in which Debtors' Chapter 11 cases are pending, jointly administered as case no. 98-B 21529(ASH)), upon a motion (the "Motion") of Debtors for an Order approving, among other things: (a) bidding procedures for the sale of the Debtors' rights and interests in the Licenses (as defined below); (b) a form of notice of auction and sale hearing (the "Notice of Auction and Sale Hearing"), and (c) establishing the Sale as contingent upon approval of the FCC Term Sheet (as defined in the Motion).

1. Interests in Licenses to be Sold

Debtors propose to Sell their rights and interests in the licenses listed on Exhibit A to these Bidding Procedures (the "Licenses") to a successful bidder through the Auction (as defined below). The Debtors' rights and interests in the Licenses are to be sold free and clear of all Encumbrances (as defined in the Agreement) on the terms and conditions set forth in the Agreement, subject to (a) agreement to the contrary with the successful bidder and (b) approval of the FCC pursuant to the FCC Regulatory Review and Approval (as defined in the Sale Order, the form of which is attached as Exhibit F to the Agreement) and payment of the FCC Direct Payment (as defined in the FCC Term Sheet) provided for in Section 2(a) of the FCC Term Sheet.

2. Notice of Auction and Notice of Sale Hearing

On a date not later than three (3) business days following approval by the Court of the Bidding Procedures Order, Debtors will transmit (a) the Notice of Auction and Sale Hearing, (b) the Bidding Procedures Order and (c) the Bidding Procedures by postage-prepaid, first-class U.S. mail, hand-delivery, telecopy, or overnight courier, to: (i) the Office of the United States Trustee; (ii) counsel to the Official Committee of Unsecured Creditors ("Committee"); (iii) counsel to BFD Communications Partners, L.P., a Cayman Islands limited partnership and administrative agent and lender under the Debtors' debtor-in-possession financing (including any lenders under any replacement debtor-in-possession financing, the "DIP Lender"), (iv) counsel to the Federal

Communications Commission ("FCC"); (v) the entities who have requested notice pursuant to Bankruptcy Rule 2002; (vi) those government agencies required to receive notice of proceedings under the Bankruptcy Rules and the Local Bankruptcy Rules; (vii) potential qualified bidders known to Debtors; and (ix) any other entities that Debtors, the Proposed Purchaser (as defined below), the Committee or the DIP Lender desire to receive notice. Additionally, Debtors shall cause the Notice of Auction and Sale Hearing to be published in the national edition of the Wall Street Journal on a date commencing not later than five (5) business days following approval by the Court of the Bidding Procedures Order and to continue for three (3) consecutive days.

3. Indication of Interest

Debtors will send a proposed confidentiality agreement to any entity that, in response to the Notice of Auction and Sale Hearing, in writing, makes a request to Debtors' undersigned counsel for information about the Licenses or indicates its interests in participation in the Auction.

4 Confidentiality Agreement and Selection of Qualified Bidder

Potential bidders on the Licenses will be required to (i) complete and execute a confidentiality agreement in form and substance satisfactory to Debtors (which shall be on terms no less favorable to Debtors as the NDA (as defined in the Agreement)); (ii) provide Debtors with current financial information about their financial qualifications and any other information Debtors may reasonably request; and (iii) provide a preliminary non-binding proposal (the "Proposal") regarding (v) the purchase price; (w) structure and financing of the Sale; (x) anticipated regulatory approvals required to close the Sale and the anticipated time frame and impediments for obtaining the same; (y) other conditions to closing; and (z) the nature and extent of additional due diligence it may wish to conduct. Debtors shall qualify potential bidders for continuing with the sales process by notifying potential bidders who have returned the confidentiality agreement and presented satisfactory financial qualifications that they have been selected as a qualified bidder (the "Qualified Bidders").

5. Purchase Agreement with Proposed Purchaser

Debtors have entered into that certain Purchase Agreement dated August 4, 2003 (the "Agreement") with Cingular Wireless LLC (the "Proposed Purchaser"). Pursuant to the Agreement, Debtors have agreed to Sell their rights and interests in the Licenses to Proposed Purchaser, subject to higher and better offers from Qualified Bidders at the Auction (as defined below). Pursuant to the Agreement, Proposed Purchaser has agreed to pay One Billion Four Hundred Million Dollars (\$1,400,000,000.00) for the purchase of the Debtors' rights and interests in the Licenses (the "Purchase Price"). Further, the Agreement provides, and the Court has approved, that Debtors shall pay, pursuant to Section 503(b)(1) of the Bankruptcy Code, to Proposed Purchaser on the terms and conditions set forth in the Agreement (including but not limited to the sole sources for such payment as provided in Section 5 7(d) of the Agreement), (i) a break-up fee equal to

1.5% of the Purchase Price (the "Break-Up Fee"), and (ii) an expense reimbursement (the "Expense Reimbursement") not to exceed Four Hundred Thousand Dollars (\$400,000.00). A copy of the Agreement is available upon written request to Debtors' undersigned counsel.

6. Due Diligence

Debtors will provide reasonable access to Debtors' books, records, and executives to Qualified Bidders for the purpose of conducting due diligence with respect to the Licenses.

7. Submission of Bids

Any Qualified Bidder desiring to bid (a "Bid") for the Debtors' rights and interests in the Licenses at the Auction, must deliver, in writing, its Bid to: (i) Schrier-Rape, P.C., co-counsel for the Debtors, 5929 Westgrove Drive, Dallas, Texas 75248 (Attn: Deborah L. Schrier-Rape); and (ii) UBS Investment Bank, Attention: Davis Terry, Managing Director, 299 Park Avenue, New York, New York 10171, such that the Bid is actually received by each of the foregoing entities not later than 12:00 p.m. (New York time) on September 15, 2003 (the "Bid Deadline"). Bids received after this deadline may be rejected or considered in Debtors' discretion.

To be considered, a "Bid" must consist of the following:

- (A) The Qualified Bidder offers to purchase the Debtors' rights and interests in the Licenses upon the terms and conditions set forth in a copy of an agreement attached to its letter, in the form of the Agreement and marked to show changes to the Agreement, including price;
- (B) The Qualified Bidder's offer is irrevocable until the earlier of the closing of the Sale of the Licenses or 30 days after the entry of the Sale Order approving the Sale of the Licenses;
- (C) The bid letter shall be accompanied by:
 - (1) a deposit in a form acceptable to the Debtors in the amount of 1.5% of the Purchase Price payable to the order of UBS AG - Stamford Branch, as agent for the Debtors (the "Earnest Money Deposit"); and
 - (2) written evidence of a commitment for financing or other evidence of ability to consummate the Sale; and
- (D) The Qualified Bidder offers to make the FCC Direct Payment as provided in Section 2(a) of the FCC Term Sheet.
- (E) Unless waived by the Debtors and the Proposed Purchaser, the Debtors will consider a bid from a Qualified Bidder (other than the Proposed Purchaser) only if the bid:

- (1) provides overall value for the Licenses to the Debtors of at least the Purchase Price plus the Break-Up Fee plus \$40 million (the Break-Up Fee and \$40 million being together the "Overbid Threshold");
- (2) is on terms that in the Debtors' reasonable business judgment, are not materially more burdensome or conditional than the terms of Proposed Purchaser's Agreement;
- (3) is not conditioned on obtaining financing or on the outcome of unperformed due diligence by the Qualified Bidder;
- (4) does not request or entitle the bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment;
- (5) provides for the purchase of all of the Debtors' right and interest in the Licenses and only the Licenses to be purchased by Proposed Purchaser under the Agreement, free and clear of all Encumbrances, subject to approval of the FCC pursuant to the FCC Regulatory Review and Approval and payment of the FCC Direct Payment provided for in Section 2(a) of the FCC Term Sheet;
- (6) in Debtors' good faith opinion, is likely to receive all necessary federal and state regulatory approvals; and
- (7) is received by the Bid Deadline.

A bid received from a Qualified Bidder that meets the above requirements is a "Qualified Bid." A Qualified Bid will be valued based upon factors such as net value provided by such bid and the likelihood and timing of consummation

Bidders and all other entities shall keep Bids confidential, with access restricted to the Proposed Purchaser, Debtors, the Committee, the FCC and the DIP Lender, and any of their respective professionals. Debtors may request additional information from a bidder other than Proposed Purchaser (whether previously qualified or not) in order to evaluate the bidder's ability to consummate a transaction and to fulfill its obligations in connection therewith, and such bidder shall be obligated to provide such information as a precondition to participating further in the Auction.

8. Auction and Selection of Winning Bid

If at least one Qualified Bid has been received (the "Topping Bid"), the Debtors may conduct an Auction in accordance with the terms below. Only Qualified Bidders (including the Proposed Purchaser) will be eligible to participate at the Auction. At least two (2) business days prior to the Auction, each Qualified Bidder (including the Proposed Purchaser or its Affiliates (as defined in the Agreement), any of which is deemed a Qualified Bidder) who has submitted a Qualified Bid must inform the Debtors whether it intends to participate.

At the Auction, only the Proposed Purchaser and such Qualified Bidders who have submitted Qualified Bids in attendance at the start of the Auction shall be entitled to make any additional bids. The additional bids will be made and received in one room, on an open basis, and all other bidders shall be entitled to be present for all bidding with the understanding that the true identity of each bidder (including such bidder's ultimate parent) shall be fully disclosed to all other bidders and that all material terms of each bid will be fully disclosed to all other bidders throughout the entire Auction. Except as expressly provided in this paragraph, all increases in bids following receipt of the Topping Bid or any additional bids that meet such requirement shall be made in increments of not less than \$10 million. Bidding at the Auction shall continue until such time as the highest and best offer is determined. The Break-Up Fee shall be maintained for the benefit of the Proposed Purchaser or any of its Affiliates with respect to any Topping Bid. For the avoidance of doubt, during the Auction, for the Proposed Purchaser or any of its Affiliates to top the Topping Bid or any other additional bid (other than its own), such additional bid shall be not less than \$10 million greater than the Topping Bid or any other additional bid less the Break-Up Fee.

The Auction will be conducted at 9:00 a.m. (New York time) to be held at the offices of UBS Investment Bank, 299 Park Avenue, New York, New York 10171 on September 23, 2003, or such later date as Debtors, after consultation with the Proposed Purchaser, the Committee, the FCC and the DIP Lender, may agree (the "Auction"). The Auction will be conducted according to the specific process set forth on Exhibit C attached hereto. For its Bid to be considered, a Qualified Bidder must appear in person at the Auction or through a duly authorized representative.

At the conclusion of the Auction, Debtors, after consultation with the Committee, the FCC, and the Lenders, will select the bid that they determine to be the highest and best offer for the Licenses (the "Winning Bid"). Debtors shall file a notice with the Court of such election and present the Winning Bid to the Court for approval. The party that submits the Winning Bid shall be referred to as the "Winning Bidder." Unless and to the extent otherwise agreed by Debtors, the Winning Bidder will enter into definitive agreements before the Auction is adjourned.

The Court's approval of the Sale shall be effective upon the entry of the Sale Order pursuant to Bankruptcy Rule 6004(g). The Sale Order shall contain a finding that the purchaser is a good faith purchaser in accordance with Section 363(m) of the Bankruptcy Code.

9. Sale Hearing

The hearing to consider approval of the Sale (the "Sale Hearing") will take place before the Honorable Adlai S. Hardin, Jr., United States Bankruptcy Judge, on September 25, 2003, at __: __ .m. in Room 520, United States Bankruptcy Court, Southern District of New York, 300 Quarropas Street, White Plains, New York 10601

10. Objections

Objections to the Sale (an "Objection"), shall be in writing and filed and served by 4:00 p.m. (New York time) on September 12, 2003 on: (i) Schrier-Rape, P.C., co-counsel for the Debtors, 5929 Westgrove Drive, Dallas, Texas 75248 (Attn: Deborah L. Schrier-Rape); (ii) Andrews & Kurth L.L.P., co-counsel for the Debtors, 1717 Main Street, Suite 3700, Dallas, Texas 75201 (Attn: Jason Brookner); (iii) Weil, Gotshal & Manges LLP, special corporate counsel for the Debtors, 676 Fifth Avenue, New York, New York 10153 (Attn: Paul M. Basta); (iv) Kasowitz, Benson, Torres & Friedman, counsel for the Committee, 1633 Broadway, 22nd Floor, New York, New York 10019 (Attn: David M. Friedman); (v) Tory's, counsel for the DIP Lender, 237 Park Avenue, New York, New York 10019 (Attn: Emanuel Grillo); (vi) Department of Justice, Assistant U.S. Attorney, Civil Division, 33 Whitehall Street, 8th Floor, New York, New York 10004 (Attn: David J. Kennedy); (vii) Alston & Bird LLP, counsel for the Proposed Purchaser, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424 (Attn: Bryan E. Davis and J. William Boone); and (viii) Office of the U. S. Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Pamela Lustrin).

11. Closing

Closing is subject to: (i) satisfaction or waiver of the conditions set forth in the Agreement (or any other agreement entered into with the Winning Bidder); (ii) Court approval of the Sale by Final Order (as defined in the Agreement); (iii) FCC regulatory approval of the transfer of the Debtors' rights and interests in the Licenses by Final Order of the Commission; (iv) HSR Approval (as defined in the Motion); and (v) Court approval of the FCC Term Sheet without modification (collectively, the "Closing Conditions").

The closing of the Sale shall occur within ten (10) business days after the date upon which all of the Closing Conditions have been satisfied (the "Closing Date").

12. Failure to Consummate Purchase

If for any reason a Winning Bidder fails to consummate the proposed Sale by the Closing Date due to a breach by such Winning Bidder, the Winning Bidder shall forfeit its Earnest Money Deposit to the Debtors. Debtors may consummate the proposed transaction with the next highest bidder at the final price bid by such bidder at the Auction (or, if such bidder is unable to consummate the transaction at such price, Debtors may consummate the transaction with the next highest bidder, and so forth), at the Debtors' option. The agreement with the highest bidder shall be deemed in full force and effect through the Closing Date. To the extent such bidder and Debtors' consent, Debtors and such bidder are authorized to effect the Sale of the Debtors' rights and interests in the Licenses to such bidder as soon as is commercially reasonable without further order of the Bankruptcy Court.

13. Return of Earnest Money Deposits

Within thirty (30) business days after a Winning Bid has been selected and the Sale of the Debtors' rights and interests in the Licenses has been approved by the Court, the Earnest Money Deposits of the Qualified Bidders who are not the Winning Bidder shall be returned, provided such Qualified Bidder has not appealed from the order approving the Sale of the Licenses.

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EXHIBIT A
(TO BIDDING PROCEDURES)
“LICENSES”
SEE EXHIBIT “A” TO THE PURCHASE AGREEMENT

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EXHIBIT B

(TO BIDDING PROCEDURES ORDER)

NOTICE OF AUCTION AND SALE HEARING

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	x	
	:	
In re:	:	CHAPTER 11
	:	
NEXTWAVE PERSONAL	:	CASE NO. 98-B 21529(ASH)
COMMUNICATIONS INC. <i>et al</i>	:	
	:	
Debtors.	:	JOINTLY ADMINISTERED
	:	
-----	x	

NOTICE OF AUCTION AND SALE HEARING

PLEASE BE ADVISED that on August ____, 2003, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order (the "Scheduling Order") approving the bidding procedures attached hereto as Exhibit A (the "Bidding Procedures"), which procedures are to control in connection with the proposed disposition by sale (to "Sell" or a "Sale") of all of the rights and interests in and to certain licenses (as reflected on Exhibit A to the Bidding Procedures, the "Licenses") of NextWave Telecom Inc., NextWave Personal Communications Inc., NextWave Partners Inc. and NextWave Power Partners Inc. (collectively, "Debtors"). The Licenses are to be sold free and clear of all Encumbrances (as defined in the Agreement (which is defined below)), subject to approval of the FCC pursuant to the FCC Regulatory Review and Approval (as defined in the Sale Order, the form of which is attached as Exhibit F to the Agreement) and payment of the FCC Direct Payment provided for in Section 2(a) of the FCC Term Sheet (as defined in the FCC Term Sheet).

PLEASE BE FURTHER ADVISED that Debtors have entered into that certain Purchase Agreement dated August 4, 2003 (the "Agreement") with Cingular Wireless

LLC (the "Proposed Purchaser"). Pursuant to the Agreement, Debtors have agreed to Sell their rights and interests in the Licenses to Proposed Purchaser, subject to higher and better offers from Qualified Bidders (as defined below and in the Bidding Procedures) at the Auction (as defined below). Pursuant to the Agreement, Proposed Purchaser has agreed to pay One Billion Four Hundred Million Dollars (\$1,400,000,000.00) for the purchase of the Licenses (the "Purchase Price"). Further, the Agreement provides that Debtors shall pay, pursuant to Section 503(b)(1) of the Bankruptcy Code, to Proposed Purchaser, in the event that the Agreement is terminated or the Sale is not consummated with the Proposed Purchaser as provided in the Agreement (including but not limited to the sole sources of payment as provided in Section 5.7(d) of the Agreement), (i) a break-up fee equal to 1.5% of the Purchase Price (the "Break-Up Fee"), and (ii) an expense reimbursement (the "Expense Reimbursement") not to exceed Four Hundred Thousand Dollars (\$400,000.00). A copy of the Agreement is available upon written request to Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that all interested bidders are strongly advised to read carefully the Bidding Procedures. To the extent there are any inconsistencies between the Bidding Procedures as set forth in Exhibit A hereto and the summary description of its terms and conditions contained in this Notice, the terms of the Bidding Procedures control. Failure to comply with the Bidding Procedures shall result in the disqualification of an interested bidder.

PLEASE BE FURTHER ADVISED that, pursuant to the Bidding Procedures, a public auction of the Licenses will be conducted at the offices of UBS Investment Bank, 299 Park Avenue, New York, New York 10171 at 9 00 a.m (New York time) on

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September 23, 2003 or such later date as Debtors, after consultation with the Proposed Purchaser, the Federal Communications Commission, the Official Committee of Unsecured Creditors, and the DIP Lender, may agree (the "Auction").

PLEASE BE FURTHER ADVISED that, pursuant to the Bidding Procedures, any bidder desiring to submit a bid at the Auction (a "Bid") must send a letter of interest to Debtors' undersigned counsel and must first be qualified by Debtors (a "Qualified Bidder"). Qualified Bidders must deliver their bids in writing to (i) Schrier-Rape, P.C., co-counsel for the Debtors, 5929 Westgrove Drive, Dallas, Texas 75248 (Attn: Deborah L. Schrier-Rape) (Fax Number 972-248-3229); (ii) UBS Investment Bank, 299 Park Avenue, New York, New York 10171 (Attn: Davis Terry, Managing Director) (Fax Number 212-821-2675), such that the Bid is actually received by each of the foregoing entities not later than 12:00 p.m. (New York time) on September 15, 2003 (the "Bid Deadline").

PLEASE BE FURTHER ADVISED that a hearing to consider approval of the Sale (the "Sale Hearing") will take place before the Honorable Adlai S. Hardin, Jr., United States Bankruptcy Judge, on September 25, 2003, at __:___.m. in Room 520, United States Bankruptcy Court, Southern District of New York, 300 Quarropas Street, White Plains, New York 10601

PLEASE BE FURTHER ADVISED that Objections to the Sale (an "Objection"), shall be in writing and filed and served by 4:00 p.m. (New York time) on September 12, 2003 on: (i) Schrier-Rape, P.C., co-counsel for the Debtors, 5929 Westgrove Drive, Dallas, Texas 75248 (Attn: Deborah L. Schrier-Rape); (ii) Andrews & Kurth L.L.P., co-counsel for the Debtors, 1717 Main Street, Suite 3700, Dallas, Texas 75201 (Attn: Jason

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Brookner), (iii) Weil, Gotshal & Manges LLP, special corporate counsel for the Debtors, 676 Fifth Avenue, New York, New York 10153 (Attn: Paul M. Basta); (iv) Kasowitz, Benson, Torres & Friedman, counsel for the Committee, 1633 Broadway, 22nd Floor, New York, New York 10019 (Attn: David M. Friedman); (v) Tory's, counsel for the DIP Lender, 237 Park Avenue, New York, New York 10019 (Attn: Emanuel Grillo); (vi) Department of Justice, Assistant U.S. Attorney, Civil Division, 33 Whitehall Street, 8th Floor, New York, New York 10004 (Attn: David J. Kennedy); (vii); Alston & Bird LLP, counsel for the Proposed Purchaser, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424 (Attn: Bryan E. Davis and J. William Boone); and (viii) Office of the U. S. Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Pamela Lustrin).

PLEASE BE FURTHER ADVISED that, all requests for information concerning the Licenses should be directed to the undersigned counsel for Debtors.

Dated: August __, 2003.

[SELLERS' COUNSEL]

EXHIBIT A

(TO NOTICE OF AUCTION AND SALE HEARING)

“BIDDING PROCEDURES”

**SEE EXHIBIT “E” TO THE PURCHASE AGREEMENT,
PAGES E-6 THROUGH E-12**

EXHIBIT C
(TO BIDDING PROCEDURES ORDER)

AUCTION PROCESS

Any capitalized terms not defined in this Exhibit C shall have the meaning ascribed to such term in the Bidding Procedures.

1. Open auction.
2. At the Auction, only the Proposed Purchaser and such Qualified Bidders in attendance at the start of the Auction shall be entitled to make any additional Bids. Bidding shall proceed in one room, on an open basis, and all other Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder (including each Qualified Bidder's ultimate parent) shall be fully disclosed to all other Qualified Bidders and that all material terms of each Bid will be fully disclosed to all other Qualified Bidders throughout the entire Auction.
3. Bidding proceeds with Qualified Bidders in alphabetical order with the Proposed Purchaser proceeding after all other Qualified Bidders have had an opportunity to bid.
4. Additional bids shall not be less than \$10 million greater than the Topping Bid or any additional bids that meet such requirement. The Break-Up Fee shall be maintained for the benefit of Proposed Purchaser or any of its Affiliates with respect to any Topping Bid. For the avoidance of doubt, during the Auction, for the Proposed Purchaser or any of its Affiliates to top the Topping Bid or any other additional bid (other than its own), such additional bid shall be not less than \$10 million greater than the Topping Bid or any other additional bid less the Break-Up Fee.

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5. Each Qualified Bidder shall have no more than one hour to make a Bid after a Bid has been made by another Qualified Bidder (the "Bidding Time"). If a Qualified Bidder has not made a Bid at the conclusion of the Bidding Time, the next Qualified Bidder may proceed with a Bid. A Qualified Bidder who does not make a Bid during its Bidding Time shall be excluded from participation in the Auction as soon as the next Qualified Bidder makes a Bid.
6. Bidding shall proceed until there is no Qualified Bidder willing to "top" the last Bid and the Bidding Time for all remaining Qualified Bidders, except for the Bid of the then highest bidder, shall have expired.